

Information Services Board Meeting Minutes –April 10, 2003

Department of Information Services Boardroom, The Forum Building
Olympia, Washington

Members Present:

Emilio Cantu
Marty Daybell
Tom Fitzsimmons
Earl Heister
Fred Kiga
Stuart McKee
Laura Ruderman

Members Absent:

Glenn Anderson
Darlene Fairley
Jayasri Guha
Ed Lazowska
D.J. Mark
Mary McQueen
Fred Stephens
James West

Roll Call

An insufficient number of members was present to constitute a quorum.

Approval of Minutes

The minutes from the February 6, 2003 could not be approved.

**Department of Information
Services Introduction of Roy
Lum, Deputy Director**

Stuart McKee introduced Roy Lum, the new deputy director of Policy and Oversight for the Department of Information Services (DIS) and liaison to the board. Mr. Lum was recently in Lifebridge and CNF Corporation and is a Washington native currently residing in Camas.

**Department of Corrections
Offender Management Network
Information (OMNI) Project**

Since the last report to the ISB in February, DOC has successfully deployed the Risk Management Indicator (RMI) and Level of Severity Indicator Revised (LSIR) on March 3rd. These modules are critical components of the DOC classification subsystem and are being used extensively by staff. One of the modules, the RMI/LSIR portion of the classification module, was extremely critical and very beneficial to the ongoing day-to-day work of people who work in the field. Joe Lehman asserted that it is critical to the mission of the agency and adding it to the OMNI application itself increased productivity immediately. Mr. Lehman added that in reference to Senator Cantu's question from their previous meeting, that there is a decommission plan in place and that plan is available if the ISB would like to see it.

Mr. Lehman stated that DOC did not receive funding for phase III of the Offender Management Network Information (OMNI) Project in the Senate budget; however, there are ongoing discussions with key house members to include funding in the House budget. DOC has developed an alternative phase II module delivery schedule that enables the project to continue into fiscal year 2004 and minimize the number of changes to the sentence structure and classification.

Mr. Lehman requested that the Legislature take \$3.25 million out of the existing fiscal year 2003 allotment and appropriate that same amount to fiscal year 2004. This will allow DOC time to integrate the policy changes that were mandated by the legislature this session. Mr. Lehman assured the board that this has been discussed with OFM and key legislative staff.

Mr. Lehman informed the ISB that the deliverables might be delayed because of budget reduction sentencing policy changes and a change in the methodology in terms of classifying offenders.

**Department of Social and Health
Services MMIS Reprocurement/
Replacement**

Heidi Robbins-Brown gave a presentation on plans for the future of the Medicaid Management Information System (MMIS).

The current system was procured in 1982 to make rapid and accurate Medicaid payments. DSHS' existing contract with AMS (formerly Consultec) to support MMIS expires in December 2005 after exercising the final option year. MMIS has significant constraints. Required modifications to the COBOL code are costly; MMIS does not interface well with other systems and is unable to consolidate critical data. An upgraded MMIS design would allow a more flexible system that would respond better to policy and legislative changes.

DSHS wants to investigate enhancing or replacing the current system. However, DSHS is unable to complete the analysis and implement any recommendations by the December 2005 deadline. DSHS requested that the ISB approve exercising the final option year and to approve extending the term of the existing contract 2 years. The revised contract would expire in December 2007.

An estimated timeline, pending approval of the ability to extend the existing contract, indicates approximately nine months would be needed to conduct a requirement analysis, an additional 10 months to conduct the acquisition including contract signing, and a full two years to implement the system. The project would require only \$155,892 of State General Fund money.

DSHS has released an RFP to secure a requirements analysis/

feasibility study vendor. Proposals are due at the end of April. The requirement analysis and feasibility study are scheduled for completion in December 2003.

Mr. Heister asked why the extension is being requested when two years remain on the current contract. Ms. Robbins-Brown explained that pursuing the extension now places the state in a better bargaining position.

Mr. McKee expressed his appreciation to DSHS for making their presentation early. He suggested that it would be prudent to take a step back instead of rushing through the procurement of the contract. He warned that DSHS may find in negotiations that the vendor may want an exorbitant amount of money. He concurred that negotiating the contract well in advance is an appropriate strategy.

Mr. Heister suggested that a telephone conference call be scheduled for the board to meet and make a decision on this during the month of April.

Senator Cantu asked DSHS to confirm that although the feasibility study wasn't completed, the estimate for implementing Phase 3 was comparable with what other states were paying for a transfer system. DSHS also confirmed that CMS required 60 days at each review cycle and that conducting the RFP was included in the timetable.

Department of Information Services' Legislative Update

Stuart McKee presented the legislative update. House Bill 1271 and its companion bill passed both the House and the Senate and will be signed by the Governor. The bill takes the State Interoperability Executive Committee (SIEC) and makes it a standing subcommittee of the ISB. It clarifies that the ISB's enabling legislation includes oversight responsibility for radio systems as a technology investment. In addition, the SIEC will have responsibility for frequency allocated to state agencies.

Mr. McKee referenced a short briefing that was included in the ISB book. He offered to answer any questions that people may have regarding the bills listed there.

Health Care Authority's Insurance Replacement Project

Pete Cutler, acting Administrator for the Washington State Health Care Authority (HCA), explained the need to extend the ISRP project timeline due to late deliverables from the vendor. Although HCA considered compressing the time allotted for testing and training, it decided to extend the timeline.

Pete Cutler and Tom Neitzel, Assistant Administrator reviewed their meeting with Mr. Rashoe, chairman of Satyam Computers and subcontractor to prime, Healthaxis. At this meeting HCA expressed its concerns with Satyam's performance. Mr. Neitzel

state that Mr. Rashoe took full responsibility and committed additional resources to keep the project on track.

Mr. Neitzel reviewed a revised project schedule showing a new system implementation date of October 6th, 2003. The schedule shows that the test environment will be ready on April 18. Eligibility Enrollment is scheduled for April 30, and Delivery Three, billing and accounting, is due by May 29. In mid-June the training of acceptance testers will begin. Acceptance testing on Delivery Three ends August 7th. Statewide testing or training begins August 11th and the production environment is scheduled to be ready on August 29th. The conversion from the old system to the new will be made during the last week of September.

Mr. Neitzel explained that because of the delay, the project will cross the biennium boundary. HCA has requested that \$2.2 million be re-appropriated to HCA for the next biennium. That proposal is included in the Senate's budget.

Current legacy systems at DOP require \$200,000 a month to continue operation. HCA is discussing these costs with the vendors in an effort to mitigate them. Neither the scope nor the requirements of this project have changed.

Mr. Neitzel assured the board that the delays in the project will not have an impact on the Department of Personnel and that there is a 98% probability that the project is going to come in on schedule.

Mr. Neitzel explained that HCA will control access to the system through DIS security services and infrastructure.

**Department of Personnel's
Human Resource Management
Project Activities**

Gene Matt, Director of the Department of Personnel (DOP) gave a project update, stating that the documentation of business and technical requirements has been completed.

DOP selected Sterling Associates to provide Quality Assurance (QA) services for the duration of the project and retained Deloitte & Touche to develop and publish an RFP for the Human Resource Management Services (HRMS) software package as well as managing vendor evaluation and selection processes. Deloitte & Touche will provide advisory services to DOP during the projected two-year HRMS implementation time frame.

A feasibility study was provided to vendors. The refined business and technical requirements were provided on March 22nd and a pre-solicitation with vendors was conducted on March 26th. Proposals will be due five weeks after the RFP is released, currently scheduled for April 16th. Announcement of the apparently successful vendor is scheduled for June 30th.

Deloitte & Touche will not be precluded from bidding on subsequent phases of work as defined in the original feasibility study RFP. It is not assumed that any vendor, including the vendor that conducted the feasibility study, has sufficient amount of understanding in state business rules to have a material advantage in actually conducting the implementation.

Senator Cantu expressed his concern about the response time for the RFP. It does not allow any time for change orders. He submitted that he has personal reservation regarding the aggressive scheduling on this project and commented that DOP may need more time to complete it.

Sharon Whitehead, DOP Deputy Director, explained that DOP was planning to have a signed contract with the vendor August in order to rescope the project based on the software package that they obtain. DOP will be better able to reassess the plan at that point and reconsider dates.

In terms of funding, Sharon announced that they have been meeting with multiple legislators on the House side and may pursue taxable bonds to assist in funding. Representatives Anderson and Ruderman have been instrumental in talking to legislative members about costs and alternative ways to fund this project.

Barry Rau of Sterling & Associates outlined the risk management process. He announced that Sterling & Associates will be reporting to the ISB periodically regard the risk mitigation on this project and they have already completed their first report which is available for review.

New Business

There was no new business.

Adjournment

The meeting was adjourned.